

HB3627



94TH GENERAL ASSEMBLY
State of Illinois
2005 and 2006
HB3627

Introduced 2/24/2005, by Rep. Julie Hamos

SYNOPSIS AS INTRODUCED:

40 ILCS 5/1-119

Amends the Illinois Pension Code. Makes various changes in provisions concerning Qualified Illinois Domestic Relations Orders.

LRB094 09004 AMC 39225 b

PENSION IMPACT
NOTE ACT MAY
APPLY

A BILL FOR

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Pension Code is amended by changing
5 Section 1-119 as follows:

6 (40 ILCS 5/1-119)

7 Sec. 1-119. Qualified Illinois Domestic Relations Orders.

8 (a) For the purposes of this Section:

9 (1) "Alternate payee" means the spouse, former spouse,
10 child, or other dependent of a member, as designated in a
11 QILDRO.

12 (2) "Death benefit" means any nonperiodic benefit
13 payable upon the death of a member to a survivor of the
14 member or to the member's estate or designated beneficiary,
15 including any refund of contributions following the
16 member's death, whether or not the benefit is so called
17 under the applicable Article of this Code.

18 (3) "Disability benefit" means any periodic or
19 nonperiodic benefit payable to a disabled member based on
20 occupational or nonoccupational disability or disease,
21 including any periodic or nonperiodic increases in the
22 benefit, whether or not the benefit is so called under the
23 applicable Article of this Code.

24 (4) "Member" means any person who participates in or
25 has service credits in a retirement system, including a
26 person who is receiving or is eligible to receive a
27 retirement or disability benefit, without regard to
28 whether the person has withdrawn from service.

29 (5) "Member's refund" means a return of all or a
30 portion of a member's contributions that is elected by the
31 member (or provided by operation of law) and is payable
32 before the member's death.

1 (6) "Qualified Illinois Domestic Relations Order" or
2 "QILDRO" means an Illinois court order that creates or
3 recognizes the existence of an alternate payee's right to
4 receive all or a portion of a member's accrued benefits in
5 a retirement system, is issued pursuant to this Section and
6 Section 503(b)(2) of the Illinois Marriage and Dissolution
7 of Marriage Act, and meets the requirements of this
8 Section. A QILDRO is not the same as a qualified domestic
9 relations order or QDRO issued pursuant to Section 414(p)
10 of the Internal Revenue Code of 1986. The requirements of
11 paragraphs (2) and (3) of that Section do not apply to
12 orders issued under this Section and shall not be deemed a
13 guide to the interpretation of this Section; a QILDRO is
14 intended to be a domestic relations order within the
15 meaning of paragraph (11) of that Section.

16 (7) "Regular payee" means the person to whom a benefit
17 would be payable in the absence of an effective QILDRO.

18 (8) "Retirement benefit" means any periodic or
19 nonperiodic benefit payable to a retired member based on
20 age or service, or on the amounts accumulated to the credit
21 of the member for retirement purposes, including any
22 periodic or nonperiodic increases in the benefit, whether
23 or not the benefit is so called under the applicable
24 Article of this Code.

25 (9) "Retirement system" or "system" means any
26 retirement system, pension fund, or other public employee
27 retirement benefit plan that is maintained or established
28 under any of Articles 2 through 18 of this Code.

29 (10) "Surviving spouse" means the spouse of a member at
30 the time of the member's death.

31 (11) "Survivor's benefit" means any periodic benefit
32 payable to a surviving spouse, child, parent, or other
33 survivor of a deceased member, including any periodic or
34 nonperiodic increases in the benefit, whether or not the
35 benefit is so called under the applicable Article of this
36 Code.

1 (b) (1) An Illinois court of competent jurisdiction in a
2 proceeding for declaration of invalidity of marriage, legal
3 separation, or dissolution of marriage that provides for
4 support or the distribution of property, or any proceeding to
5 amend or enforce such support or a property distribution, may
6 order that all or any part of any (i) member's retirement
7 benefit, ~~or~~ (ii) member's refund payable to or on behalf of the
8 member, or (iii) death benefit that would otherwise be payable
9 to the member, on behalf of the member or to the member's
10 designated beneficiary be instead paid by the retirement system
11 to a designated alternate payee.

12 (2) An order issued under this Section provides only for
13 the diversion to an alternate payee of certain benefits
14 otherwise payable by the retirement system under the provisions
15 of this Code. The existence of a QILDRO shall not cause the
16 retirement system to pay any benefit, or any amount of benefit,
17 to an alternate payee that would not have been payable by the
18 system to a regular payee in the absence of the QILDRO.

19 (3) A QILDRO shall not affect the vesting, accrual, or
20 amount of any benefit, nor the date or conditions upon which
21 any benefit becomes payable, nor the right of the member or the
22 member's survivors to make any election otherwise authorized
23 under this Code, except as provided in subsections (i) and (j).

24 (4) A QILDRO shall not apply to or affect the payment of
25 any survivor's benefit, death benefit, disability benefit,
26 life insurance benefit, or health insurance benefit.

27 (c) (1) A QILDRO must contain the name, residence address,
28 and social security number of the member and of the alternate
29 payee and must identify the retirement system to which it is
30 directed and the court issuing the order.

31 (2) A QILDRO must specify each benefit to which it applies,
32 and it must specify the amount of the benefit to be paid to the
33 alternate payee. In the case of a non-periodic benefit, this
34 amount must be specified as a dollar amount or as a percentage
35 as specifically provided in subsection (n). In the case of a
36 periodic benefit, this amount must be specified as a dollar

1 amount per month or as a percentage per month as specifically
2 provided in subsection (n), ~~which in the case of a nonperiodic~~
3 ~~benefit shall be expressed as a dollar amount (except that a~~
4 ~~nonperiodic benefit payable to an alternate payee of a~~
5 ~~participant in the self-managed plan authorized under Article~~
6 ~~15 of this Code may be expressed as a dollar amount or as a~~
7 ~~percentage of the participant's account), and in the case of a~~
8 ~~periodic benefit shall be expressed as a dollar amount per~~
9 ~~month.~~

10 (3) With respect to each benefit to which it applies, a
11 QILDRO must specify when the order will take effect. In the
12 case of a lump sum benefit payable to an alternate payee of a
13 participant in the self-managed plan authorized under Article
14 15 of this Code, the benefit shall be paid upon the proper
15 request of the alternate payee. In the case of a periodic
16 benefit that is being paid at the time the order is received, a
17 QILDRO shall take effect immediately or on a specified later
18 date; if it takes effect immediately, it shall become effective
19 on the first benefit payment date occurring at least 30 days
20 after the order is received by the retirement system. In the
21 case of any other benefit, a QILDRO shall take effect when the
22 benefit becomes payable, unless some later date is specified
23 pursuant to subsection (n). ~~except that a lump sum benefit~~
24 ~~payable to an alternate payee of a participant in the~~
25 ~~self-managed plan authorized under Article 15 of this Code may~~
26 ~~be paid upon the request of the alternate payee.~~ However, in no
27 event shall a QILDRO apply to any benefit paid by the
28 retirement system before or within 30 days after the order is
29 received. A retirement system may adopt rules to prorate the
30 amount of the first and final periodic payments to an alternate
31 payee.

32 (4) A QILDRO must also contain any provisions required
33 under subsection (n) or (p).

34 (5) If a QILDRO indicates that the alternate payee is to
35 receive a percentage or formula of any retirement system
36 benefit, the calculations required shall be performed by the

1 member, the alternate payee, their designated representatives
2 or their designated experts. The results of said calculations
3 shall be provided to the retirement system via a QILDRO
4 Calculation Order. The QILDRO Calculation Order shall be
5 completed using the form provided in Section (n-5) herein.

6 (6) Within 30 days after the receipt of a QILDRO
7 Calculation Order, the retirement system shall notify the
8 member and the alternate payee (or one designated
9 representative of each) of the receipt of the Order. If the
10 QILDRO underlying the QILDRO Calculation Order does not exist
11 or is not in effect, or if the QILDRO Calculation Order does
12 not clearly indicate the amount the retirement system is to pay
13 to the alternate payee, then the retirement system shall at the
14 same time notify the member and the alternate payee (or one
15 designated representative of each) of the situation. Unless the
16 QILDRO underlying the QILDRO Calculation Order is not in
17 existence, no longer in effect, or does not clearly indicate
18 the amount the retirement system is to pay the alternate payee,
19 the retirement system shall accept the QILDRO Calculation Order
20 and shall implement the Order as soon as administratively
21 possible once benefits are payable. The retirement system shall
22 not reject a QILDRO Calculation Order based on its
23 determination that the calculations therein are not accurate or
24 that the calculations are not in accordance with the parties'
25 QILDRO, agreement, or judgment. The retirement system shall
26 have no responsibility for the consequences of its
27 implementation of a QILDRO Calculation Order that is inaccurate
28 or not in accordance with the parties' QILDRO, agreement, or
29 judgment.

30 (d) (1) An order issued under this Section shall not be
31 implemented unless a certified copy of the order has been filed
32 with the retirement system. The system shall promptly notify
33 the member and the alternate payee by first class mail of its
34 receipt of the order.

35 (2) Neither the retirement system, nor its board, nor any
36 of its employees shall be liable to the member, the regular

1 payee, or any other person for any amount of a benefit that is
2 paid in good faith to an alternate payee in accordance with a
3 QILDRO.

4 (3) At the time a QILDRO ~~the order~~ is submitted to the
5 retirement system, it shall be accompanied by a nonrefundable
6 \$50 processing fee payable to the retirement system, to be used
7 by the system to defer any administrative costs arising out of
8 the implementation of the QILDRO.

9 (e) (1) Each alternate payee is responsible for maintaining
10 a current residence address on file with the retirement system.
11 The retirement system shall have no duty to attempt to locate
12 any alternate payee by any means other than sending written
13 notice to the last known address of the alternate payee on file
14 with the system.

15 (2) In the event that the system cannot locate an alternate
16 payee when a benefit becomes payable, the system shall hold the
17 amount of the benefit payable to the alternate payee and make
18 payment to the alternate payee if he or she is located within
19 the following 180 days. If the alternate payee has not been
20 located within 180 days from the date the benefit becomes
21 payable, the system shall pay the benefit and the amounts held
22 to the regular payee. If the alternate payee is subsequently
23 located, the system shall thereupon implement the QILDRO, but
24 the interest of the alternate payee in any amounts already paid
25 to the regular payee shall be extinguished. Amounts held under
26 this subsection shall not bear interest.

27 (f) (1) If the amount of a benefit that is specified in a
28 QILDRO for payment to an alternate payee exceeds the actual
29 amount of that benefit payable by the retirement system, the
30 excess shall be disregarded. The retirement system shall have
31 no liability to any alternate payee or any other person for the
32 disregarded amounts.

33 (2) In the event of multiple QILDROs against a member, the
34 retirement system shall honor all of the QILDROs to the extent
35 possible. However, if the total amount of a benefit to be paid
36 to alternate payees under all QILDROs in effect against the

1 member exceeds the actual amount of that benefit payable by the
2 system, the QILDROs shall be satisfied in the order of their
3 receipt by the system until the amount of the benefit is
4 exhausted, and shall not be adjusted pro rata. Any amounts that
5 cannot be paid due to exhaustion of the benefit shall remain
6 unpaid, and the retirement system shall have no liability to
7 any alternate payee or any other person for such amounts.

8 (3) A modification of a QILDRO shall be filed with the
9 retirement system in the same manner as a new QILDRO. A
10 modification that does not increase the amount of any benefit
11 payable to the alternate payee, and does not expand the QILDRO
12 to affect any benefit not affected by the unmodified QILDRO,
13 does not affect the priority of payment under subdivision
14 (f)(2); the priority of payment of a QILDRO that has been
15 modified to increase the amount of any benefit payable to the
16 alternate payee, or to expand the QILDRO to affect a benefit
17 not affected by the unmodified QILDRO, shall be based on the
18 date on which the system receives the modification of the
19 QILDRO.

20 (g) (1) Upon the death of the alternate payee under a
21 QILDRO, the QILDRO shall expire and cease to be effective, and
22 in the absence of another QILDRO, the right to receive any
23 affected benefit shall revert to the regular payee.

24 (2) All QILDROs relating to a member's participation in a
25 particular retirement system shall expire and cease to be
26 effective upon the issuance of a member's refund that
27 terminates the member's participation in that retirement
28 system, without regard to whether the refund was paid to the
29 member or to an alternate payee under a QILDRO. An expired
30 QILDRO shall not be automatically revived by any subsequent
31 return by the member to service under that retirement system.

32 (h) (1) Within 45 days after receiving a subpoena from any
33 party to a proceeding for declaration of invalidity of
34 marriage, legal separation, or dissolution of marriage in which
35 a QILDRO may be issued, or after receiving a request from the
36 member, a retirement system shall provide in response ~~issue~~ a

1 statement of a member's accumulated contributions, accrued
2 benefits, and other interests in the plan administered by the
3 retirement system based on the data on file with the system on
4 the date the subpoena is received. If so requested in the
5 subpoena, the retirement system shall also provide in response
6 other information available to a member, including information
7 that may be necessary to calculate a member's benefit, and ~~of~~
8 any relevant procedures, rules, or modifications to the model
9 QILDRO form that have been adopted by the retirement system.

10 (1.5) If a QILDRO provides for the alternate payee to
11 receive a percentage of any retirement benefit (as opposed to
12 providing for the alternate payee to receive only dollar
13 amounts of retirement benefits), then the retirement system
14 shall provide the applicable information to the member and to
15 the alternate payee, or to one designated representative of
16 each (e.g., the member's attorney and the alternate payee's
17 attorney) as indicated below:

18 (A) If the member is a participant in the self-managed
19 plan authorized under Article 15 of this Code and the
20 QILDRO provides that the only benefit the alternate payee
21 is to receive is a percentage of a lump sum benefit as of a
22 specific date that has already past, then, within 30 days
23 after the retirement system receives the QILDRO, the
24 retirement system shall provide the lump sum amount to
25 which the QILDRO percentage is to be applied.

26 (B) For all situations except that situation described
27 in item (A), if the member has not commenced or elected to
28 commence benefits at the time the QILDRO is received by the
29 retirement system, then, within 30 days after the
30 retirement system receives the QILDRO, the retirement
31 system shall provide all of the following information:

32 (i) The date of the member's initial membership in
33 the retirement system, expressed as month, day, and
34 year, if available, or the most exact date that is
35 available to the retirement system.

36 (ii) The amount of creditable and actual service

1 the member accumulated in the retirement system from
2 the time of initial membership through the most recent
3 date available prior to the retirement system
4 receiving the QILDRO (the dates used shall also be
5 provided). "Creditable service" shall include
6 purchased service upgrades normally included by the
7 retirement system to calculate a member's amount of
8 creditable service. Service amounts shall be expressed
9 using the most exact time increments available to the
10 retirement system (e.g., months or fractions of
11 years).

12 (iii) The gross amount of the member's non-reduced
13 monthly annuity benefit earned, calculated as of the
14 most recent date available prior to the retirement
15 system receiving the QILDRO, the date used, and the
16 earliest date the member may be eligible to commence
17 the benefit. This amount shall include any upgrades
18 purchased by the member, which shall be noted
19 separately.

20 (iv) The gross amount of the member's refund
21 available or partial refund amounts available,
22 including any interest payable on those amounts,
23 calculated as of the most recent date available prior
24 to the retirement system receiving the QILDRO (the date
25 used shall also be provided).

26 (v) The gross amount of the member's death benefits
27 available, including any interest payable on the
28 amounts, calculated as of the most recent date
29 available prior to the retirement system receiving the
30 QILDRO (the date used shall also be provided).

31 (C) For all situations except that situation described
32 in item (A), if the member has already commenced or has
33 already elected to commence benefits when the retirement
34 system receives the QILDRO, then, within 30 days after the
35 retirement system receives the QILDRO, or, if the member
36 has not commenced or elected to commence benefits at the

1 time the retirement system receives the QILDRO, then at
2 least 60 days prior to the member's elected benefit
3 commencement date, the retirement system shall provide all
4 of the following information:

5 (i) The date the member commenced benefits or, if
6 not yet commenced, the date the member elected for
7 benefits to commence.

8 (ii) The amount of creditable and actual service
9 the member accumulated in the retirement system from
10 the time of initial membership through the time the
11 member commenced benefits (or, if not yet commenced,
12 through the time the member elected for benefits to
13 commence). "Creditable service" shall include unused
14 vacation, sick leave, and purchased upgrades normally
15 included by the retirement system to calculate a
16 member's amount of creditable service. Service amounts
17 shall be expressed using the most exact time increments
18 available to the retirement system (e.g., months or
19 fractions of years).

20 (iii) The gross amount of the member's non-reduced
21 monthly annuity benefit payable, calculated as of the
22 date that benefit commenced (or, if not yet commenced,
23 as of the time the member has elected for benefits to
24 commence) and the date used for calculations. This
25 amount shall include any upgrades purchased by the
26 member, which shall be noted separately.

27 (iv) The gross amount of the member's refund
28 payable or partial refund amounts payable, including
29 any payable interest, calculated as of the date that
30 benefit was paid (or, if not yet paid, as of the date
31 the member has elected for the refund to be paid). The
32 date used for calculations shall also be provided.

33 (v) The gross amount of the member's death benefits
34 payable, including any payable interest, calculated as
35 of the member's commencement date (if the member has
36 commenced) or as of the date the member has elected to

1 commence benefits (if so elected).

2 (D) If, and only if, the alternate payee is entitled to
3 benefits under Section VII of the QILDRO, then, within 30
4 days after the member's death, the retirement system shall
5 provide the gross amount of the member's death benefits
6 payable, including any payable interest, calculated as of
7 the member's date of death.

8 (2) In no event shall the retirement system be required to
9 furnish to any person an actuarial opinion as to the present
10 value of the member's benefits or other interests.

11 (3) The papers, entries, and records, or parts thereof, of
12 any retirement system may be proved by a copy thereof,
13 certified under the signature of the secretary of the system or
14 other duly appointed keeper of the records of the system and
15 the corporate seal, if any.

16 (i) In a retirement system in which a member or beneficiary
17 is required to apply to the system for payment of a benefit,
18 the required application may be made by an alternate payee who
19 is entitled to all of a refund or retirement benefit or part of
20 a death benefit that is payable ~~that benefit~~ under a QILDRO,
21 provided that all other qualifications and requirements have
22 been met. However, the alternate payee may not make the
23 required application for death benefits while the member is
24 alive or for a member's refund or a retirement benefit if the
25 member is in active service or below the minimum age for
26 receiving an undiscounted retirement annuity in the retirement
27 system that has received the QILDRO or in any other retirement
28 system in which the member has creditable service and in which
29 the member's rights under the Retirement Systems Reciprocal Act
30 would be affected as a result of the alternate payee's
31 application for a member's refund or retirement benefit.

32 (j) (1) So long as there is in effect a QILDRO relating to
33 a member's retirement benefit, the affected member may not
34 elect a form of payment that has the effect of diminishing the
35 amount of the payment to which any alternate payee is entitled,
36 unless the alternate payee has consented to the election in a

1 writing that includes the alternate payee's notarized
2 signature, and this written and notarized consent has been
3 filed with the retirement system.

4 (2) If a member attempts to make an election prohibited
5 under subdivision (j)(1), the retirement system shall reject
6 the election and advise the member of the need to obtain the
7 alternate payee's consent.

8 (3) If a retirement system discovers that it has mistakenly
9 allowed an election prohibited under subdivision (j)(1), it
10 shall thereupon disallow that election and recalculate any
11 benefits affected thereby. If the system determines that an
12 amount paid to a regular payee should have been paid to an
13 alternate payee, the system shall, if possible, recoup the
14 amounts as provided in subsection (k) of this Section.

15 (k) In the event that a regular payee or an alternate payee
16 is overpaid, the retirement system shall recoup the amounts by
17 deducting the overpayment from future payments and making
18 payment to the other payee. The system may make deductions for
19 recoupment over a period of time in the same manner as is
20 provided by law or rule for the recoupment of other amounts
21 incorrectly disbursed by the system in instances not involving
22 a QILDRO. The retirement system shall incur no liability to
23 either the alternate payee or the regular payee as a result of
24 any payment made in good faith, regardless of whether the
25 system is able to accomplish recoupment.

26 (1) (1) A retirement system that has, before the effective
27 date of this Section, received and implemented a domestic
28 relations order that directs payment of a benefit to a person
29 other than the regular payee may continue to implement that
30 order, and shall not be liable to the regular payee for any
31 amounts paid in good faith to that other person in accordance
32 with the order.

33 (2) A domestic relations order directing payment of a
34 benefit to a person other than the regular payee that was
35 issued by a court but not implemented by a retirement system
36 prior to the effective date of this Section shall be void.

1 However, a person who is the beneficiary or alternate payee of
2 a domestic relations order that is rendered void under this
3 subsection may petition the court that issued the order for an
4 amended order that complies with this Section.

5 (m) (1) In accordance with Article XIII, Section 5 of the
6 Illinois Constitution, which prohibits the impairment or
7 diminishment of benefits granted under this Code, a QILDRO
8 issued against a member of a retirement system established
9 under an Article of this Code that exempts the payment of
10 benefits or refunds from attachment, garnishment, judgment or
11 other legal process shall not be effective without the written
12 consent of the member if the member began participating in the
13 retirement system on or before the effective date of this
14 Section. That consent must specify the retirement system, the
15 court case number, and the names and social security numbers of
16 the member and the alternate payee. The consent must accompany
17 the QILDRO when it is filed with the retirement system, and
18 must be in substantially the following form:

19 CONSENT TO ISSUANCE OF QILDRO

20 Court Case Number:
21 Member's Social Security Number:
22 Alternate payee's Social Security Number:

23 I, (name), a member of the (retirement system), hereby
24 consent to the issuance of a Qualified Illinois Domestic
25 Relations Order. I understand that under the Order, certain
26 benefits that would otherwise be payable to me, or to my
27 surviving spouse or estate, will instead be payable to (name of
28 alternate payee). I also understand that my right to elect
29 certain forms of payment of my retirement benefit or member's
30 refund may be limited as a result of the Order.

31 DATED:.....

32 SIGNED:.....

33 (2) A member's consent to the issuance of a QILDRO shall be

1 irrevocable, and shall apply to any QILDRO that pertains to the
2 alternate payee and retirement system named in the consent.

3 (n) A QILDRO ~~An order~~ issued under this Section shall be in
4 substantially the following form (omitting any provisions that
5 are not applicable to benefits that are or may be ultimately
6 payable to the member):

7 QUALIFIED ILLINOIS DOMESTIC RELATIONS ORDER

8

9 (Retirement System Name Here)

10 THIS CAUSE coming before the Court for the purpose of the
11 entry of a Qualified Illinois Domestic Relations Order under
12 the provisions of Section 1-119 of the Illinois Pension Code
13 (40 ILCS 5/1-119), the Court having jurisdiction over the
14 parties and the subject matter hereof; the Court finding that
15 one of the parties to this proceeding is a member of a
16 retirement system subject to Section 1-119 of the Illinois
17 Pension Code (40 ILCS 5/1-119), this Order is entered to
18 implement a division of that party's interest in the retirement
19 system; and the Court being fully advised;

20 IT IS HEREBY ORDERED AS FOLLOWS:

21 I. The definitions and other provisions of Section 1-119 of
22 the Illinois Pension Code (40 ILCS 5/1-119) are adopted by
23 reference and made a part of this Order.

24 II. Identification of Retirement System and parties:

25 Retirement System:

26

27

28

29 Member:

1
.....

2
.....

3 SS# :
.....

4 Alternate payee:
.....

5
.....

6
.....

7 SS# :
.....

8 The alternate payee is the member's former spouse.

9 III. The Retirement System shall pay the indicated amounts
10 of the member's annuity retirement benefits to the alternate
11 payee under the following terms and conditions:

12 (A) The Retirement System shall pay the alternate payee
13 pursuant to one of the following methods [complete the ONE
14 option that applies] :

15 (1) \$..... per month [enter amount] ; or

16 (2)% [enter percentage] per month of the
17 marital portion of said benefit with the marital
18 portion defined using the formula in Section IX; or

19 (3)% [enter percentage] per month of the
20 gross amount of said benefit calculated as of the date
21 the member's/alternate payee's [circle one] benefit
22 commences.

23 (B) If the member's retirement benefit has already
24 commenced, the alternate payee's benefit shall commence
25 either [check/complete the ONE option that applies] :

26 (1) immediately upon this order being
27 approved by the Retirement System; or

28 (2) on the date of [enter any set
29 date after this order has been approved by the
30 Retirement System].

31 (C) If the member's retirement benefit has not yet
32 commenced, the alternate payee's benefit shall commence
33 either [check/complete the ONE option that applies] :

1 (1) as of the date the member's retirement
2 benefit commences; or

3 (2) on the date of [enter set date,
4 but only if that date occurs after the member's
5 retirement benefit has commenced] .

6 (D) The alternate payee's benefit under this Section
7 III shall terminate [check/complete the ONE option that
8 applies] :

9 (1) upon the death of the member or the death
10 of the alternate payee, whichever is the first to
11 occur; or

12 (2) after payments are made to the
13 alternate payee [enter any set number] or upon the
14 death of the member or the death of the alternate
15 payee, whichever shall be the first to occur.

16 IV. If the member's retirement benefits are subject to
17 annual cost-of-living increases, the alternate payee's share
18 of said benefits shall/shall not [circle one] be recalculated
19 annually to include a proportionate share of the applicable
20 cost-of-living increases.

21 V. The Retirement System shall pay to the alternate payee
22 the indicated amounts of any refund that becomes payable to the
23 member under the following terms and conditions:

24 (A) The Retirement System shall pay the alternate payee
25 pursuant to one of the following methods [complete the ONE
26 option that applies] :

27 (1) \$..... [enter amount] ; or

28 (2)% [enter percentage] of the marital
29 portion of said benefit, with the marital portion
30 defined using the formula in Section IX; or

31 (3)% [enter percentage] of the gross amount
32 of said benefit (including any applicable interest)
33 calculated when the member's refund is paid.

34 (B) The alternate payee's benefit under this Section V
35 shall be paid when the member's benefit is paid.

36 VI. The Retirement System shall pay to the alternate payee

1 the indicated amounts of any partial refund that becomes
2 payable to the member under the following terms and conditions:

3 (A) The Retirement System shall pay the alternate payee
4 pursuant to one of the following methods [complete the ONE
5 option that applies] :

6 (1) \$..... [enter amount]; or

7 (2)% [enter percentage] of the marital
8 portion of said benefit, with the marital portion
9 defined using the formula in Section IX; or

10 (3)% [enter percentage] of the gross amount
11 of the benefit (including any applicable interest)
12 calculated when the member's refund is paid.

13 (B) The alternate payee's benefit under this Section VI
14 shall be paid when the member's benefit is paid.

15 VII. The Retirement System shall pay to the alternate payee
16 the indicated amounts of any death benefits that become payable
17 to the member's beneficiary under the following terms and
18 conditions:

19 (A) For the purposes of the member's death benefits,
20 and to the extent and only to the extent required by this
21 Section VII, the alternate payee shall be designated as and
22 considered to be a beneficiary of the member at the time of
23 the member's death and shall receive [complete ONE of the
24 following options] :

25 (1) \$..... [enter amount]; or

26 (2)% [enter percentage] of the marital
27 portion of death benefits, with the marital portion
28 defined using the formula in Section IX; or

29 (3)% [enter percentage] of the gross amount
30 of death benefits calculated when said benefits become
31 payable.

32 (B) The alternate payee's benefit under this Section
33 VII shall be paid as soon as administratively possible
34 after the member's death.

35 VIII. If this Order indicates that the alternate payee is
36 to receive a percentage of any retirement system benefit, upon

1 receipt of the information required to be provided by the
 2 Retirement System under Section 1-119 of the Illinois Pension
 3 Code (40 ILCS 5/1-119), the calculations required shall be
 4 performed by the member, by the alternate payee, or by their
 5 designated representatives and/or designated experts. The
 6 results of the calculations shall be provided to the retirement
 7 system via a QILDRO Calculation Order.

8 IX. Marital Portion Benefit Calculation Formula (Option to
 9 calculate benefit in III(A)(2), V(A)(2), VI(A)(2) or VII(A)(2)
 10 above). If in this Section "other" is circled in the definition
 11 of A, B, or C, then a supplemental order must be entered
 12 simultaneously with this QILDRO clarifying the intent of the
 13 parties or the Court as to that item.

14 (1) The amount of the alternate payee's benefit shall
 15 be the result of (A/B) x C x D where:

16 "A" equals the number of months of
 17 creditable/actual/other [circle one] service that the
 18 member accumulated in the retirement system from the
 19 date of marriage [enter date
 20 MM/DD/YYYY] to the date of divorce
 21 [enter date MM/DD/YYYY]. This
 22 number of months of service shall be calculated as
 23 whole months after receipt of information required
 24 from the Retirement System pursuant to Section 1-119 of
 25 the Illinois Pension Code (40 ILCS 5/1-119).

26 "B" equals the number of months of
 27 creditable/actual/other [circle one] service that the
 28 member accumulated in the retirement system from the
 29 time of initial membership in the retirement system
 30 through the benefit commencement date. The number of
 31 months of service shall be calculated as whole months
 32 after receipt of information required from the
 33 Retirement System pursuant to Section 1-119 of the
 34 Illinois Pension Code (40 ILCS 5/1-119).

35 "C" equals the gross amount of:

36 (i) the member's monthly annuity benefit

1 (Section III(A)) calculated as of the member's
2 benefit commencement or elected benefit
3 commencement, including/not including/other
4 [circle one] purchased upgrades;

5 (ii) the member's refund amount including any
6 payable interest (Section V(A)) calculated as of
7 the time said refund becomes payable to the member;

8 (iii) the member's partial refund amount,
9 including any payable interest (Section VI(A))
10 calculated as of the time said partial refund
11 becomes payable to the member; or

12 (iv) the member's death benefit amounts
13 including any payable interest (Section VII(A))
14 calculated as of the time said benefit becomes
15 payable to the member's beneficiary;

16 whichever is applicable pursuant to Section III, V, VI,
17 or VII of this Order. These gross amounts shall be
18 provided by the Retirement System pursuant to Section
19 1-119 of the Illinois Pension Code (40 ILCS 5/1-119).

20 "D" equals the percentage noted in Section
21 III(A)(2), V(A)(2), VI(A)(2), or VII(A)(2), whichever
22 is applicable.

23 (2) The alternate payee's benefit under this Section IX
24 shall be paid in accordance with all Sections of this Order
25 that apply.

26 X. In accordance with subsection (j) of Section 1-119 of
27 the Illinois Pension Code (40 ILCS 5/1-119), so long as this
28 QILDRO is in effect, the member may not elect a form of payment
29 of the retirement benefit that has the effect of diminishing
30 the amount of the payment to which the alternate payee is
31 entitled, unless the alternate payee has consented to the
32 election in writing, the consent has been notarized, and the
33 consent has been filed with the retirement system.

34 XI. If the member began participating in the Retirement
35 System before July 1, 1999, this Order shall not take effect
36 unless accompanied by the written consent of the member as

1 required under subsection (m) of Section 1-119 of the Illinois
2 Pension Code (40 ILCS 5/1-119).

3 XII. The Court retains jurisdiction over this matter for
4 all of the following purposes:

5 (1) To establish or maintain this Order as a Qualified
6 Illinois Domestic Relations Order.

7 (2) To modify this Order to conform to the parties'
8 Marital Settlement Agreement or Agreement for Legal
9 Separation ("Agreement"), to the parties' Judgment for
10 Dissolution of Marriage or Judgment for Legal Separation
11 ("Judgment"), to any modifications of the parties'
12 Agreement or Judgment, and to any supplemental orders
13 entered to clarify the parties' Agreement or Judgment.

14 (3) To supervise the payment of benefits herein.

15 (4) If the member or the retirement system fails to
16 comply with the provisions contained in this Order, to use
17 its full powers to equitably compensate the alternate payee
18 for such failure.

19 (5) To enter such further orders as may become
20 necessary to enforce the assignment of benefits to the
21 alternate payee as set forth herein.

22 DATED:

23 SIGNED:

24 (n-5) A QILDRO Calculation Order issued under this Section
25 shall be in substantially the following form:

26 QILDRO CALCULATION ORDER

27

28 [Enter Retirement System name here]

29 THIS CAUSE coming before the Court for the purpose of the
30 entry of a QILDRO Calculation Order under the provisions of

1 Section 1-119 of the Illinois Pension Code (40 ILCS 5/1-119),
 2 the Court having jurisdiction over the parties and the subject
 3 matter hereof; the Court finding that a QILDRO has previously
 4 been entered in this matter, that the QILDRO has been approved
 5 by the retirement system, and that the QILDRO requires
 6 percentage calculations to allocate the alternate payee's
 7 benefit, the Court not having found that the QILDRO has become
 8 void or invalid, and the Court being fully advised;

9 IT IS HEREBY ORDERED AS FOLLOWS:

10 (1) The definitions and other provisions of Section 1-119
 11 of the Illinois Pension Code [40 ILCS 5/1-119] are adopted by
 12 reference and made a part of this Order.

13 (2) Identification of Retirement System and parties:

14 Retirement System:
 15
 16
 17

18 Member:
 19
 20
 21 SS#:.....

22 Alternate payee:
 23
 24
 25 SS#:.....

26 The Alternate payee is the member's former spouse.

27 (3) Each of the following Sections (3(a) through 3(d))
 28 shall apply if and only if the QILDRO allocated benefits to the
 29 alternate payee in the specific Section noted. The retirement
 30 system shall pay the monthly amounts as directed below, but

1 only if and when the benefits are payable pursuant to the
2 QILDRO and Section 1-119 of the Illinois Pension Code (40 ILCS
3 5/1-119). Parties shall see QILDRO Section IX for the
4 definitions of A, B, C and D as used below.

5 (a) The alternate payee's benefit pursuant to QILDRO
6 Section III(A) (2) shall be calculated pursuant to Section
7 IX of the QILDRO and paid as follows:

8 (...../.....) X X =
9 [Enter A] [Enter B] [Enter C] [Enter D] [Monthly Amount]

10 (b) The alternate payee's benefit pursuant to QILDRO
11 Section V(A) (2) shall be calculated pursuant to Section IX
12 of the QILDRO and paid as follows:

13 (...../.....) X X =
14 [Enter A] [Enter B] [enter C] [Enter D] [Amount]

15 (c) The alternate payee's benefit pursuant to QILDRO
16 Section VI(A) (2) shall be calculated pursuant to Section IX
17 of the QILDRO and paid as follows:

18 (...../.....) X X =
19 [Enter A] [Enter B] [Enter C] [Enter D] [Amount]

20 (d) The alternate payee's benefit pursuant to QILDRO
21 Section VII(A) (2) shall be calculated pursuant to Section
22 IX of the QILDRO and paid as follows:

23 (...../.....) X X =
24 [Enter A] [Enter B] [Enter C] [Enter D] [Amount]

25 (4) The following shall apply only if the QILDRO allocated
26 benefits to the alternate payee in the specific Section noted.
27 The retirement system shall pay the monthly amounts as directed
28 below, but only if and when the benefits are payable pursuant

1 to the QILDRO and Section 1-119 of the Illinois Pension Code
2 (40 ILCS 5/1-119).

3 (A) The alternate payee's benefit pursuant to QILDRO
4 Section III(A) (3) shall be calculated and paid as follows:

5 X =
6 [Gross benefit amount] [Percentage] [Monthly Amount]

7 (B) The alternate payee's benefit pursuant to QILDRO
8 Section V(A) (3) shall be calculated and paid as follows:

9 X =
10 [Gross benefit amount] [Percentage] [Amount]

11 (C) The alternate payee's benefit pursuant to QILDRO
12 Section VI(A) (3) shall be calculated and paid as follows:

13 X =
14 [Gross benefit amount] [Percentage] [Amount]

15 (D) The alternate payee's benefit pursuant to QILDRO
16 Section VII(A) (3) shall be calculated and paid as follows:

17 X =
18 [Gross benefit amount] [Percentage] [Amount]

19 (5) The Court retains jurisdiction over this matter for the
20 following purposes:

21 (A) to establish or maintain this Order as a QILDRO
22 Calculation Order;

23 (B) to modify this Order to conform to the parties'
24 QILDRO, Marital Settlement Agreement or Agreement for
25 Legal Separation ("Agreement"), to the parties' Judgment
26 for Dissolution of Marriage or Judgment for Legal
27 Separation ("Judgment"), to any modifications of the
28 parties' QILDRO, Agreement, or Judgment, and to any

1 supplemental orders entered to clarify the parties'
2 QILDRO, Agreement, or Judgment;

3 (C) to supervise the payment of benefits herein;

4 (D) if the member or the retirement system fails to
5 comply with the provisions contained in this Order, to use
6 its full powers to equitably compensate the alternate payee
7 for such failure; and

8 (E) to enter such further Orders as may become
9 necessary to enforce the assignment of benefits to the
10 alternate payee as set forth herein.

11 DATED:

12 SIGNED:

13 ~~QUALIFIED ILLINOIS DOMESTIC RELATIONS ORDER~~

14 ~~THIS CAUSE coming before the Court for the purpose of the~~
15 ~~entry of a Qualified Illinois Domestic Relations Order under~~
16 ~~the provisions of Section 1-119 of the Illinois Pension Code,~~
17 ~~the Court having jurisdiction over the parties and the subject~~
18 ~~matter hereof; the Court finding that one of the parties to~~
19 ~~this proceeding is a member of a retirement system subject to~~
20 ~~Section 1-119 of the Illinois Pension Code, this Order is~~
21 ~~entered to implement a division of that party's interest in the~~
22 ~~retirement system; and the Court being fully advised;~~

23 ~~IT IS HEREBY ORDERED AS FOLLOWS:~~

24 ~~(1) The definitions and other provisions of Section 1-119~~
25 ~~of the Illinois Pension Code are adopted by reference and made~~
26 ~~a part of this Order.~~

27 ~~(2) Identification of Retirement System and parties:~~

28 ~~Retirement System: (name and address)~~

29 ~~Member: (name, residence address and social security~~
30 ~~number)~~

31 ~~Alternate payee: (name, residence address and social~~
32 ~~security number)~~

1 ~~(3) The Retirement System shall pay the indicated amounts~~
2 ~~of the following specified benefits to the alternate payee~~
3 ~~under the following terms and conditions:~~

4 ~~(i) Of the member's retirement benefit, the Retirement~~
5 ~~System shall pay to the alternate payee \$..... per month,~~
6 ~~beginning (if the benefit is already being paid, either~~
7 ~~immediately or on a specified later date; otherwise, on the~~
8 ~~date the retirement benefit commences), and ending upon the~~
9 ~~termination of the retirement benefit or the death of the~~
10 ~~alternate payee, whichever occurs first.~~

11 ~~(ii) Of any member's refund that becomes payable, the~~
12 ~~Retirement System shall pay to the alternate payee \$.....~~
13 ~~when the member's refund becomes payable.~~

14 ~~(4) In accordance with subsection (j) of Section 1-119 of~~
15 ~~the Illinois Pension Code, so long as this QILDRO is in effect,~~
16 ~~the member may not elect a form of payment of the retirement~~
17 ~~benefit that has the effect of diminishing the amount of the~~
18 ~~payment to which the alternate payee is entitled, unless the~~
19 ~~alternate payee has consented to the election in writing and~~
20 ~~this consent has been filed with the retirement system.~~

21 ~~(5) If the member began participating in the Retirement~~
22 ~~System before the effective date of this Section, this Order~~
23 ~~shall not take effect unless accompanied by the written consent~~
24 ~~of the member as required under subsection (m) of Section 1-119~~
25 ~~of the Illinois Pension Code.~~

26 ~~(6) The Court retains jurisdiction to modify this Order.~~

27 ~~DATED:.....~~

28 ~~SIGNED:.....~~

29 (o) (1) A court in Illinois that has issued a QILDRO shall
30 retain jurisdiction of all issues relating to the modification
31 of the QILDRO as indicated in Section XII of the QILDRO and in
32 accordance with Illinois law. A court in Illinois that has
33 issued a QILDRO Calculation Order shall retain jurisdiction of

1 all issues relating to the modification of the QILDRO
2 Calculation Order as indicated in Section 5 of the QILDRO
3 Calculation Order and in accordance with Illinois law. The
4 Administrative Review Law and the rules adopted pursuant
5 thereto shall govern and apply to all proceedings for judicial
6 review of final administrative decisions of the board of
7 trustees of the retirement system arising under this Section.

8 (2) The term "administrative decision" is defined as in
9 Section 3-101 of the Code of Civil Procedure. The venue for
10 review under the Administrative Review Law shall be the same as
11 is provided by law for judicial review of other administrative
12 decisions of the retirement system.

13 (p) (1) Each retirement system may adopt any procedures or
14 rules that it deems necessary or useful for the implementation
15 of this Section.

16 (2) Each retirement system may by rule modify the model
17 QILDRO form provided in subsection (n), except that no
18 retirement system may change that form in a way that limits the
19 choices provided to the alternate payee in subsections (n) or
20 (n-5) as to form of payment, calculation method, or calculation
21 formula. Each retirement system may by rule ~~or~~ require that
22 additional information be included in QILDROs presented to the
23 system, as may be necessary to meet the needs of the retirement
24 system.

25 (3) Each retirement system shall define its uncompleted
26 model QILDRO form and uncompleted model QILDRO Calculation
27 Order as an original of the forms or a paper copy of the forms.
28 Each retirement system shall, whenever possible, make the forms
29 available on the internet in non-modifiable computer format
30 (for example, Adobe Portable Document Format files) for
31 printing purposes. After the form is completed and entered by
32 the court, a retirement system may require an original court
33 certified copy of the QILDRO in its completed state.

34 (Source: P.A. 93-347, eff. 7-24-03.)